

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

UNITED STATES OF AMERICA,

Plaintiff,

v.

DENTAL CARE ASSOCIATES OF
SPOKANE VALLEY, PS; DR.
JAMES G. HOOD, DDS; and KAREN
J. HOOD,

Defendants.

NO: 2:15-CV-23-RMP

ORDER GRANTING UNITED
STATES' MOTION FOR DEFAULT
JUDGMENT AND MOTION FOR
JUDGMENT ON THE PLEADINGS
AND RESOLVING DEFENDANTS'
MOTIONS

BEFORE THE COURT are the United States' Motion for Judgment on the Pleadings as to Defendants James G. Hood and Karen J. Hood, ECF No. 58, and Motion for Default Judgment against Defendants Dental Care Associates of Spokane Valley P.S.; Dr. James G. Hood Family Dentistry; Dr. James G. Hood, D.D.S., M.A., P.S.; Dr. James G. Hood, D.D.S., P.S., Karen Jean Matsko Hood as Trustee of the Hood Family Trust; Whispering Pine Press, Inc.; ECF No. 59.

ORDER GRANTING UNITED STATES' MOTION FOR DEFAULT JUDGMENT AND MOTION FOR JUDGMENT ON THE PLEADINGS AND RESOLVING DEFENDANTS' MOTIONS ~ 1

1 The Court also hereby considers and decides the following motions filed by
2 Defendants: Motion to Quash Subpoenas, ECF No. 79, Motion for Continuance of
3 Request for Subpoenas, ECF No. 80, Request for Motion of Settlement for Court
4 Case, ECF No. 84, Request for Motion of Settlement for Court Case, ECF No. 90,
5 Motion to Accept Following Calendar, ECF No. 89, and Motion for Continuance
6 and to Honor 2017 Calendar Dates Already Agreed Upon by Plaintiff, ECF No. 96.
7 The Court has reviewed the record and the pleadings and is fully informed.

8 BACKGROUND

9 This case consists of two consolidated cases brought by the United States
10 against Karen and James Hood and the entities they represent. Although both
11 cases were the result of Defendants' alleged violations of their tax obligations, the
12 United States first sought an injunction to require Defendants to adhere to relevant
13 tax statutes and later filed the second case seeking a money judgment for the
14 amount they allege Defendants owe in unpaid tax liability. Importantly, the United
15 States' Motions for Default Judgment and for Judgment on the Pleadings, which
16 were filed in the injunction suit before consolidation, both request the same
17 outcome but pertain to different defendants. The Motion for Judgment on the
18 Pleadings pertains to Karen and James Hood as individuals, ECF No. 58, and the
19 Motion for Default Judgment pertains to the entities owned and operated by Karen
20 and/or James Hood (entities), ECF No. 59.

ANALYSIS

Default Judgment

This Court previously found that the entities had not properly appeared in this case because corporations can not appear pro se. *See* ECF No. 54 at 2. Defendants have not only ignored the Court's repeated warnings that they cannot represent corporate entities pro se since neither Karen nor James Hood is an attorney licensed to practice in this Court, but Defendants also argue with the plain terms of the Court's orders and come up with different ways to argue why they should be allowed to represent their various entities. *See e.g.*, ECF No. 61. Contrary to what they assert, as the Court already has stated time and again, and what is unambiguously stated in Local Rule 83.6, the Hoods may not represent the entities or one another, because they are not licensed attorneys. The right to appear pro se is an individual right that only extends to self-representation.

On October 8, 2015, the Court Clerk entered the order of default against the entities, pursuant to FED. R. CIV. P. 55(a).¹ The United States now seeks a default judgment pursuant to FED. R. CIV. P. 55(b)(2). "The district court's decision

¹ "When a party against whom a judgment for affirmative relief is sought has failed to plead or otherwise defend . . . the clerk must enter the party's default."

1 whether to enter a default judgment is a discretionary one.” *Aldabe v. Aldabe*, 616
2 F.2d 1089, 1092 (9th Cir. 1980).

3 Factors which may be considered by courts in exercising discretion as
4 to the entry of a default judgment include: (1) the possibility of
5 prejudice to the plaintiff, (2) the merits of plaintiff’s substantive claim,
6 (3) the sufficiency of the complaint, (4) the sum of money at stake in
7 the action; (5) the possibility of a dispute concerning material facts; (6)
8 whether the default was due to excusable neglect, and (7) the strong
9 policy underlying the Federal Rules of Civil Procedure favoring
10 decisions on the merits.

11 *Eitel v. McCool*, 782 F.2d 1470, 1471-72 (9th Cir. 1986) (citing 6 *Moore’s Federal*
12 *Practice* ¶ 55-05[2], at 55-24 to 55-26). Although the entities have not provided
13 any justification to withhold entering a default judgment, this Court nonetheless
14 analyzes each of these factors.

15 **(1) The possibility of prejudice to the plaintiff**

16 The Government has presented evidence that Defendants scoff their tax
17 obligations and argue that absent an injunction, Defendants will continue to do so.
18 *See e.g.*, ECF Nos. 34 and 59. Plaintiff requests an injunction that would require
19 Defendants to adhere to their statutory obligations. *See* ECF No. 17. Absent an
20 injunction, Defendants’ continued hostility to the law could potentially harm both
21 the Government and the public fisc. Absent any evidence to the contrary, the
Court finds that this factor weighs in favor of the Government.

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1 **(2) The merits of Plaintiff's substantive claim**

2 The Government has presented evidence of Defendants' failure to follow tax
3 laws, and Defendants' arguments have only strengthened that evidence; for
4 example, they state their misunderstanding of bankruptcy proceedings and detail
5 the difficulties they face. *See e.g.*, ECF Nos. 38-48. The Court recognizes and
6 sympathizes with the difficulties of living with disabilities, aging, dealing with a
7 windstorm without any power, having sixteen children, caring for seven special
8 needs children, facing medical expenses, and not understanding court proceedings
9 (even when Defendants have failed to appear at scheduled proceedings for which
10 they received notice). However, not a single one of these arguments presents any
11 legal defense to the matter at hand: violations of the tax laws.

12 More importantly, this Court previously ordered that if Defendants did not
13 file an answer that complied with FED. R. CIV. P. 8 by October 1, 2015, the Court
14 would deem all allegations in Plaintiff's Complaint as being admitted. *See* ECF
15 No. 54 at 2. Defendants did not file anything responding to that Order before the
16 October 1, 2015, deadline. Therefore, all allegations in Plaintiff's Complaint are
17 deemed admitted. This factor weighs heavily in favor of the Government.

18 **(3) The sufficiency of the complaint**

19 The Government clearly stated the grounds upon which it seeks injunctive
20 relief and has provided proposed terms of an injunction. *See* ECF No. 17. The
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1 Amended Complaint is more than sufficient, and, therefore, this factor supports
2 granting the default judgment.

3 **(4) The sum of money at stake in the action**

4 As the requested judgment only pertains to the request for injunctive relief,
5 there is no money at stake.

6 **(5) The possibility of a dispute concerning material facts**

7 As addressed regarding the second factor, Defendants have effectively
8 admitted all of the allegations in Plaintiff's Complaint. Even disregarding that
9 fact, Defendants have failed to refute any material facts with tenable or even
10 relevant arguments. Therefore, this factor supports granting the default judgment.

11 **(6) Whether the default was due to excusable neglect**

12 Defendants in this case not only ignore all concepts of proper procedure,
13 they openly disobey court orders and fail to provide any basis for the Court to
14 consider their failure to properly appear in this case as "excusable neglect." This
15 Court grants pro se parties the benefit of the doubt, and from the very outset of this
16 case, this Court has continued to accommodate Defendants even after repeated
17 mistakes. The Court repeatedly instructed them how to remedy their deficient
18 filings (e.g. directing them to adhere to the clear requirements of FED. R. CIV. P. 8),
19 and has given them time to do so. *See* ECF No. 54. Defendants have received
20 numerous extensions of deadlines, *see* ECF Nos. 9 and 12, that were still not met;

1 received repeated warnings from the Clerk's office that the Court does not accept
2 faxes only to send more faxed documents that the Court often still considered, *see*
3 ECF No. 78; and Defendants repeatedly failed to appear in Court in person or by
4 telephone for scheduled conferences.

5 Defendants file numerous documents that are essentially the same, and that
6 are largely irrelevant and unresponsive to Plaintiff's allegations. *See e.g.*, ECF
7 Nos. 61-67. As one example of the nature of Defendants' recent filings, they state,
8 "[t]he argument that we do not have attorney [sic] to represent is not a valid [sic]
9 ...[w]e are not required to have attorney [sic] and we have the legal right to
10 represent pro se." ECF No. 62 at 3. The "argument" they refute was no longer an
11 argument, but was instead an Order of this Court. *See* ECF No. 54 at 2. Despite
12 Defendants' assertion that this Court is wrong, the Court's prior order, ECF No.
13 54, stands. In light of the fact that Defendants have filed numerous documents, but
14 have not properly followed the Court Order to properly appear by filing an answer
15 that complies with FED. R. CIV. P. 8 by October 1, 2015, the Court finds no
16 excusable neglect.²

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18 ² Interestingly, despite the October 1, 2015 deadline, and the fact that discovery in
19 this case was set to have been completed by February 5, 2016, Defendants just
20 filed notices of appearances on February 11th and 12th, 2016.

1 **(7) The strong policy underlying the Federal Rules of Civil Procedure**
2 **favoring decisions on the merits**

3 As addressed above, even after the Court has considered documents that
4 were improperly and untimely filed, Defendants fail to provide any good cause to
5 find that Defendants have any legitimate argument to defend against the
6 Government's claims. Aside from the fact that this Court deems all allegations in
7 Plaintiff's Complaint to have been admitted on procedural grounds, which alone
8 would be sufficient to resolve the present motion in Plaintiff's favor, Defendants
9 also present arguments that support the Government's allegations regarding
10 Defendants' unpaid taxes. *See e.g.*, ECF No. 61 at 2 (seemingly arguing that they
11 incorrectly thought their bankruptcy would resolve certain tax liabilities).

12 This factor also weighs heavily in favor of granting default judgment
13 regarding the entities. Based on the foregoing considerations, the Court finds that
14 default judgment is appropriate and shall be entered against the entities.

15 **Judgment on the Pleadings**

16 Plaintiff also moves for judgment on the pleadings regarding the individual
17 Defendants, James and Karen Hood, who, unlike the entities, are able to appear pro
18 se. Defendants filed responses to Plaintiff's first Complaint, but did not respond to
19 Plaintiff's First Amended Complaint, ECF No. 17. This Court ordered Defendants
20 to file an answer that would comply with FED. R. CIV. P. 8 by October 1, 2015, or
21 it would deem all allegations in Plaintiff's Complaint true. *See* ECF No. 54.

1 Defendants did not file anything by that deadline and still have not filed a proper
2 answer.

3 Under Federal Rule of Civil Procedure 12(c), “[a]fter the pleadings are
4 closed—but early enough not to delay trial—a party may move for judgment on
5 the pleadings.” “Judgment on the pleadings is properly granted when . . . there is
6 no issue of material fact in dispute, and the moving party is entitled to judgment as
7 a matter of law.” *Chavez v. United States*, 683 F.3d 1102, 1108 (9th Cir. 2012)
8 (quoting *Fleming v. Pickard*, 581 F.3d 922, 925 (9th Cir. 2009)). “The Court notes
9 that a plaintiff’s motion for judgment on the pleadings shall not be granted *unless*
10 all of the defenses raised in the answer are legally insufficient.” *Burns v. Consol.*
11 *Amusement Co.*, 182 F.R.D. 609, 611 (D. Haw. 1998) (emphasis in original) (citing
12 FED. R. CIV. P. 12(c)).

13 In light of the fact that all of Plaintiff’s allegations in its Amended
14 Complaint are deemed true, *see* ECF No. 54, there is no dispute of material fact.
15 Additionally, despite Defendants’ procedural errors, the Court still considered their
16 responsive filings, and finds that they do not create any dispute over material facts.
17 Defendants’ bare assertions that “some of the [Plaintiff’s] allegations are false...”
18 *see e.g.*, ECF No. 13, do not support a viable defense in this matter. Defendants
19 provide factual excuses for not paying their taxes, *see e.g.*, ECF Nos. 13 and 14,

1 but do not provide any legal arguments or support to properly challenge the
2 Government's assertions regarding Defendants' violations of relevant tax statutes.

3 In light of the fact that Defendants have not filed any legally sufficient
4 defense to the claim for injunctive relief, the Court finds that judgment on the
5 pleadings is appropriate. In fashioning the appropriate relief in this case, the Court
6 returns to Plaintiff's Amended Complaint, in which the Government sought a
7 permanent injunction against Defendants. *See* ECF No. 17.

8 Traditionally, in order for a court to find that a permanent injunction is
9 proper, the party seeking the injunction must demonstrate:

10 (1) that it has suffered an irreparable injury; (2) that remedies available
11 at law, such as monetary damages, are inadequate to compensate for
12 that injury; (3) that, considering the balance of hardships between the
13 plaintiff and defendant, a remedy in equity is warranted; and (4) that
14 the public interest would not be disserved by a permanent injunction.

15 *Cottonwood Envtl. Law Ctr. v. U.S. Forest Serv.*, 789 F.3d 1075, 1088 (9th Cir.
16 2015) (citing *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006)).

17 However, 26 U.S.C. § 7402 provides in relevant part:

18 The district courts of the United States at the instance of the United
19 States shall have such jurisdiction to make and issue in civil actions . .
20 . orders of injunction . . . and to render such judgments and decrees as
21 may be necessary or appropriate for the enforcement of the internal
revenue laws. The remedies hereby provided are in addition to and not
exclusive of any and all other remedies of the United States in such
courts or otherwise to enforce such laws.

1 Importantly, “[t]he standard requirements for equitable relief need not be
2 satisfied when an injunction is sought to prevent the violation of a federal statute
3 which specifically provides for injunctive relief.” *Antoninetti v. Chipotle Mexican*
4 *Grill, Inc.*, 643 F.3d 1165, 1175 (9th Cir. 2010) (quoting *Silver Sage Partners, Ltd.*
5 *v. City of Desert Hot Springs*, 251 F.3d 814, 827 (9th Cir. 2001)). Additionally
6 “[a] permanent injunction against future violations of a statute is permitted because
7 such merely requires the enjoined party to obey the law.” *United States v.*
8 *Campbell*, 897 F.2d 1317, 1324 (5th Cir. 1990) (citing *Dunlop v. Davis*, 524 F.2d
9 1278 (5th Cir. 1975)).

10 This Court analyzes the propriety of a permanent injunction using both the
11 traditional factors and the statutory standard, in the context of having granted the
12 Motions for Judgment on the Pleadings and for Default Judgment.

13 **(1) Irreparable injury**

14 Plaintiff’s Amended Complaint provided specific amounts of past due taxes
15 to allege Defendants’ pattern of ignoring statutory tax obligations, ECF No. 17,
16 and Defendants failed to adequately refute Plaintiff’s claims. The Government has
17 shown that it has suffered financially in seeking to ensure Defendants’ compliance
18 with the tax code, and the nature of Defendants’ responses support the likelihood
19 that they will continue to do so. *See e.g.*, ECF No. 38 (Defendants stating, among
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1 other things, that they: “are left with a great mess to carry forward after the
2 bankruptcy”).

3 **(2) The remedies available at law, such as monetary damages, are**
4 **inadequate to compensate for the injury**

5 This portion of the case relates to equitable relief to force Defendants to
6 adhere to tax laws. Therefore, this factor supports entry of a permanent injunction.

7 **(3) Considering the balance of hardships between the plaintiff and**
8 **defendant, a remedy in equity is warranted**

9 Although Defendants have shared details of their difficult life circumstances,
10 the requested injunction would not impose difficulties beyond what the law
11 requires and what Defendants already have brought upon themselves by ignoring
12 tax liabilities. The balancing of equities supports a permanent injunction to require
13 Defendants to follow the law.

14 **(4) The public interest would not be disserved by a permanent**
15 **injunction**

16 The public could only benefit from the Defendants being forced to pay taxes
17 and adhere to relevant tax laws.

18 Additionally, in granting a preliminary injunction in this matter, the Court
19 held that “[i]n the absence of any contradicting evidence, the Government has
20 proven by a preponderance of the evidence that an injunction is necessary and
21 appropriate to ensure Defendants’ compliance with tax laws.” ECF No. 69 at 8.

As outlined above, Defendants have not provided any basis for altering this prior

1 determination. With all of Plaintiff's allegations deemed true, and in light of the
2 substantial uncontroverted evidence demonstrating tax liabilities, the Court finds
3 that pursuant to 26 U.S.C. § 7402, an injunction is "necessary" and "appropriate"
4 to ensure Defendants' compliance with tax laws.

5 **Defendants' Additional Motions**

6 **Motion to Quash Subpoenas, ECF No. 79, and Motion for Continuance of** 7 **Request for Subpoenas, ECF No. 80:**

8 Defendants raised frivolous arguments to either quash subpoenas or receive
9 additional time to provide requested information. For example, they argue that
10 bank records are irrelevant to this case because "we have already lost the case
11 before the trial even began." ECF No. 79 at 2. Prior to this Order being entered,
12 only a preliminary injunction had been entered, and Defendants still face the
13 allegations in Plaintiff's Complaint seeking a money judgment for tax liabilities
14 that are allegedly overdue, so this case has not been fully decided. Contrary to
15 Defendants' assertions to the contrary, bank records are relevant to the payments
16 they did or did not make.

17 Additionally, Defendants repeatedly assert that they are pro se and want
18 more time to respond to the "volumes of papers" filed by Plaintiff. *See e.g.*, ECF
19 No. 80 at 2. However, Plaintiff apparently even provided Defendants with detailed
20 instructions on how they could have opposed subpoenas of their bank records. *See*
21 ECF No. 86-1. Rather than following those instructions, Defendants filed the

1 present motions without providing any just cause to grant the requested relief.

2 Accordingly, Defendants' Motions to either quash or continue the subpoenas lack
3 any proper justification, and they are both denied. Defendants shall adhere to the
4 time requirements as closely as possible, in light of the fact that numerous
5 deadlines have passed.

6 **Defendant's Request for Motion of Settlement for Court Case, ECF No. 84,**
7 **and Defendant's Request for Motion of Settlement for Court Case, ECF No.**
8 **90:**

9 Although it is unclear what Defendants are requesting in these duplicative
10 motions, they seem to be asking the Court to force the Government to accept a
11 settlement offer. Any settlement offers should be directed at the Government, and
12 not to the Court. The Court has no power to force a settlement, and, therefore,
13 these motions are both denied.

14 Although this argument is raised in the context of requesting what the Court
15 has no power to grant, it bears noting that Defendants also argue that any
16 injunction this Court imposes should not force Defendants to pay taxes at a time
17 earlier than would otherwise be the case under tax laws. *See* ECF No. 90 at 2. As
18 outlined above, Defendants have demonstrated their disregard for tax laws, so the
19 permanent injunction below is fashioned in a manner designed to ensure their
20 future compliance.

Motion to Accept Following Calendar, ECF No. 89, and Motion for Continuance and to Honor 2017 Calendar Dates Already Agreed Upon by Plaintiff, ECF No. 96:

Defendants filed two separate motions that both propose the same calendar and ask the Court to adhere to those proposed deadlines. ECF Nos. 89 and 96. The Court already has granted extensions and considered Defendants' numerous untimely documents, but Defendants fail to provide any good cause to alter the trial dates to adhere to their proposed deadlines. In addition, they failed to telephone into the scheduling conference when dates were discussed, even though they had received ample notice of the hearing. *See* ECF No. 51. Therefore, both of these motions are denied.

Accordingly, **IT IS HEREBY ORDERED:**

1. The United States' Motion for Judgment on the Pleadings, **ECF No. 58**, and Motion for Default Judgment, **ECF No. 59**, are **GRANTED**.
2. Judgment shall be entered for the sole purpose of entering the attached permanent injunction against Defendants James G. Hood and Karen J. Hood, and Defendants Dental Care Associates of Spokane Valley P.S.; Dr. James G. Hood Family Dentistry; Dr. James G. Hood, D.D.S., M.A., P.S.; Dr. James G. Hood, D.D.S., P.S., Karen Jean Matsko Hood as Trustee of the Hood Family Trust; Whispering Pine Press, Inc.

1 3. Defendants' Motion to Quash Subpoenas, **ECF No. 79**, and Motion for
2 Continuance of Request for Subpoenas, **ECF No. 80**, are **DENIED**.

3 4. Defendants' Request for Motion of Settlement for Court Case, **ECF No.**
4 **84**, and Defendants' Request for Motion of Settlement for Court Case,
5 **ECF No. 90**, are **DENIED**.

6 5. Defendants' Motion to Accept Following Calendar, **ECF No. 89**, and
7 Motion for Continuance and to Honor 2017 Calendar Dates Already
8 Agreed upon by Plaintiff, **ECF No. 96**, are **DENIED**.

9 6. Defendants shall be subject to the following Permanent Injunction:

10 **Permanent Injunction**

11 A. Defendants James G. Hood and Karen J. Hood; Dental Care
12 Associates of Spokane Valley, P.S.; Dr. James G. Hood Family Dentistry, a/k/a
13 Spokane Valley Dental Care, a/k/a/ James G. Hood Family Dentistry, P.S.; Dr.
14 James G. Hood, D.D.S., M.A., P.S., a/k/a James G. Hood D.D.S., P.S., a/k/a James
15 G. Hood D.D.S., M.A., P.S.; Dr. James G. Hood, D.D.S., P.S.; Karen Jean Matsko
16 Hood as Trustee of the Hood Family Trust; Whispering Pine Press, Inc.; those
17 entities' officers, agents, servants, and employees, specifically including but not
18 limited to James G. Hood and Karen J. Hood, and anyone else who is in active
19 concert or participation with any of the individuals or entities listed above (all of
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1 whom, collectively, are hereinafter referred to as “Listed Parties”) are HEREBY
2 ENJOINED as follows:

3 i. Listed Parties may not fail to timely withhold and timely pay
4 over to the IRS any federal employment taxes, including employees’ federal
5 income taxes, FICA taxes, and FUTA taxes, as required by law;

6 ii. Listed Parties shall not transfer any money or property to any
7 other entity in order to have the salaries or wages of the Listed Parties paid by the
8 transferee;

9 iii. Listed Parties shall not have their employees’ salaries or
10 wages paid by any other entity;

11 iv. After a federal employment tax liability accrues, Listed Parties
12 shall not assign or transfer any property or right to property, or make any
13 disbursements except to satisfy the tax liability, until the federal employment tax
14 liability has been satisfied;

15 v. Listed Parties shall file accurate and timely payroll tax returns
16 and pay any balance due on those returns upon filing, including Form 941,
17 Employer’s Quarterly Federal Tax Return, and Form 940, Employer’s Federal
18 Unemployment Tax Return. Within 24 hours of filing any return during the first
19 eight Form 941 quarterly tax periods that end after this Order is entered, Listed
20 Parties shall provide a copy of the return to IRS Revenue Officer Margaret Kent by

1 fax to 866-894-4785 or email to margaret.m.kent@irs.gov. The United States may
2 designate another recipient upon reasonable written notice to Listed Parties.

3 vi. Listed Parties shall make all required federal employment tax
4 deposits with their bank within three days (72 hours) of issuing a payroll check.
5 Listed Parties shall retain receipts for each such deposit, and workpapers showing
6 how the amount of each such deposit was calculated. For each deposit made,
7 within 24 hours of making the deposit, Listed Parties shall transmit copies of the
8 receipts and the workpapers to IRS Revenue Officer Margaret Kent by fax to 866-
9 894-4785 or email to margaret.m.kent@irs.gov. The United States may designate
10 another recipient of the receipts and workpapers upon reasonable written notice to
11 Listed Parties.

12 vii. Listed Parties shall pay over to the IRS all amounts deposited
13 according to: 1) the semi-weekly schedule set forth in 26 C.F.R. § 31.6302-1(c)(2)
14 for withheld income taxes and FICA taxes; and 2) the schedule set forth in 26
15 C.F.R. § 31.6302(c)-3 for FUTA taxes. Within 24 hours of each payment under
16 this paragraph, Listed Parties shall transmit proof of payment to IRS Revenue
17 Officer Margaret Kent by fax to 866-894-4785 or email to
18 margaret.m.kent@irs.gov. The United States may designate another recipient of
19 the receipts and workpapers upon reasonable written notice to Listed Parties.

1 viii. Within 30 days of entry of this Order, Listed Parties shall file
2 complete and accurate employment tax returns for all tax periods for the Listed
3 Parties that are due but have not yet been filed. Listed Parties shall send copies of
4 these returns to IRS Revenue Officer Margaret Kent by fax to 866-894-4785 or
5 email to margaret.m.kent@irs.gov. The United States may designate another
6 recipient of the returns upon reasonable written notice to Listed Parties.

7 ix. Within 14 days of entry of this Order, Listed Parties shall
8 provide a copy of this Order to every person authorized to sign checks on one of
9 the Listed Parties' behalf. Listed Parties must obtain, from each such person, a
10 written acknowledgment that the person has read and understood this Order, and a
11 written commitment that the person will personally determine that all federal
12 employment taxes accruing after the injunction date have been paid over to the IRS
13 prior to making any disbursement of cash or other property. Within 7 days of the
14 person signing the acknowledgment and commitment, the writing must be filed
15 with the Court.

16 x. Within 14 days of entry of this Order, Listed Parties shall
17 provide a copy of this Order to each of the Listed Parties' employees.

18 B. Defendants James G. Hood and Karen J. Hood as individuals
19 ("Hoods"), are HEREBY FURTHER ENJOINED as follows: James G. Hood and
20 Karen J. Hood shall notify the IRS in writing within 7 days, if they begin to

1 operate any other business enterprise. The notification shall be sent to IRS
2 Revenue Officer Margaret Kent by fax to 866-894-4785 or email to
3 margaret.m.kent@irs.gov. The United States may designate another recipient of
4 the notice upon reasonable written notice to the Hoods.

5 C. This Order shall apply to any other business enterprise operated by
6 James G. Hood or Karen J. Hood, whether now existing or later begun, as if that
7 entity's name were substituted for any of the Listed Parties, in the Court's Order.

8 D. The Court shall retain jurisdiction over the case to ensure compliance
9 with its injunction and to issue and enforce all other additional decrees and orders
10 as may be necessary and appropriate to the public interest.

11 The District Court Clerk is directed to enter this Order, **enter Judgment for**
12 **the purpose of entering the permanent injunction against Defendants James**
13 **G. Hood and Karen J. Hood; Defendants Dental Care Associates of Spokane**
14 **Valley P.S.; Dr. James G. Hood Family Dentistry; Dr. James G. Hood, D.D.S.,**
15 **M.A., P.S.; Dr. James G. Hood, D.D.S., P.S., Karen Jean Matsko Hood as**
16 **Trustee of the Hood Family Trust; and Whispering Pine Press, Inc.; and**
17 provide copies of this Order and Judgment to counsel and pro se Defendants.

18 **DATED** this 25th day of February 2016.

19 s/ Rosanna Malouf Peterson
20 ROSANNA MALOUF PETERSON
21 United States District Judge